

Course Syllabus
Public Sector Auditing
Accounting Graduate Program FEB UGM
Academic Year of 2015 / 2016

Course Description

Auditing in public sector has become the foundation of an accountable public sector organizational governance. Auditors objectively provide audit service to show if public resources are managed efficiently and effectively, complying with the applicable regulations to achieve the planned objectives. Auditor helps public sector organization gain accountability and integrity, improve organization's operational process, and maintain public trust.

This course is designed to give an understanding on the nature and the development of public sector organizations, the relationship between public sector organizations and non-public sector organizations. Additionally, this course discusses the risks faced by public sector organizations, including the risks regarding information technology, corruption, and money laundering. Furthermore, this course also discusses performance audit, aside from the audit generally conducted by public sector auditor such as financial and regulatory compliance audits.

Learning Objectives

1. To understand the function and the role of public sector auditing.
2. To identify and to discuss the risks faced by public sector organizations.
3. To comprehend various auditing services in the public sector, especially performance audit.
4. To comprehend the audit process, starting from audit planning, field working, and reporting the audit result, including in the process are conducting the engagement for audit assignment, collecting and evaluating the evidence, and reporting and communicating the audit results.

References

1. **Public Sector Auditing: Is It Value for Money?** 2007: John Bourn. John Wiley & Sons Ltd. (BA1).
2. **Performance Auditing.** 2011: Jeremy Lonsdale, Peter Willkins & Tom Ling. Edward Elgar. (BA2).
3. State Finance Auditing Standards 2007. BPK RI. (BA3).
4. The International Standards of Supreme Audit Institution (ISSAI). INTOSAI. (BA4).
5. Performance Audit on the Public Sector. 2008. I Gusti Agung Rai. Salemba Empat. (BA5).
6. Other relevant books.

Course Schedule

This course plan below may change and be adjusted to the teaching and learning progress.

Meeting	Topic	Chapter	Presentation
1	Introduction The nature of public sector organizations - Bureaucracy	Ch. 1 & 2 (BA1)	
2	Roles of audit in public sector organizations	Ch. 3 & 4 (BA1, BA3)	ISSAI 100
3	Alternatives to bureaucracy	Ch. 5 & 6 (BA1)	Bureaucracy problems
4	Managing regulations and high cost transaction	Ch. 7 (BA1)	Regulation overlap
5	Audit of the quality of public services	Ch. 8 (BA1)	Quality of public service in Indonesia
6	Risk management in the public sector	Ch. 9 (BA1)	Identifying and measuring risk in Indonesian context
7	Fraud and impropriety	Ch. 10 (BA1)	Corruptions: Fraud Triangle Framework
MIDTERM EXAMINATION			
8	The Impact of IT on Audit		Comparing BPK's audit report
9	Auditing Standards in the public sectors	BA3 and BA4	SPKN and ISSAI
10	Performance Audit Overview	Ch. 12 (BA1)	3E measures
11	Conducting and reporting the performance audit	BA4 and BA5	Cases on performance audit
12	Compliance audit	BA4	Cases on compliance audit
13	Following-up audit recommendation	BA4	

14	Final Task Presentation		
FINAL EXAMINATION			

Assessment

Assessment of students' skills in terms of the achievements of this course's learning objectives is based on the following components:

Midterm Examination	25%
Final Examination	25%
Case Presentation	25%
Discussion and Participation	25%

Grading category:

Over 91%	A	61% - 65%	C+
86% - 90 %	A-	56% - 60%	C
76% - 85%	B+	45% - 55%	D
71% - 75%	B	Under 45%	E
66% - 70%	B-		

Notes:

Case presentation is a group task. Class will be given certain cases related to the application of the topics / materials discussed in class. There are two groups that take on a case presentation. Group 1 will present the case and Group 2 will be the discussant of the case. Students who do not belong to Group 1 and Group 2 can participate during the discussion.

Discussion and Participation. One of the benchmark of a successful learning process is the ability to think critically, shown in students' participation in class discussions. Students are encouraged to ask questions, to criticize, or to give explanation or recommendation on the case presented in class.

In Class

General rules. Class rules not explicitly stated in this syllabus follow MAKSI FEB UGM's rules and / or will be discussed in advance in the first meeting.

Lecturer's role. Lecturer acts as a learning facilitator who serves as secretary, clarifier, and prober. Therefore, students are encouraged to actively participate in class discussions. There is not a single correct solution for one case. There can be more than just one solution for each case. False conclusion is caused by lack of analysis, wrong order of presentation, or unconvincing presentation.

Laptop. During the class, students are not allowed to use their laptops, except when instructed by the lecturer in situations where the learning materials call for it.

Mobile phone. The use of mobile phones is forbidden during the class.